



Accrington and Rossendale College
Minutes of the Meeting of the Audit Committee
held on Tuesday 7th December 2010 at 4.00pm
in the Conference Room, Broad Oak Centre

Confirmed

Present:

Mrs R Andrews (Chair)
Mrs L Higham
Mr S Ireland
Professor Ian Smith

In attendance: Ms Karen Musgrave: RSM Tenon
Mrs S Collinge: Vice Principal (Corporate Services)
Mr A Armiger: Clerk to the Corporation - minuting

Apologies for absence

Apologies were received from Mr T Gill, Dr A-M Coyne and Mr S Sugarman

Declarations of Interest

There were no declarations of interest from the members

The Chair thanked members for attending this additional meeting of the Audit Committee to deal with the items to be presented by RSM Tenon, which were unable to be dealt with at its 16th November 2010 meeting.

56.6 Internal Audit 2009 / 10

a) Report 07a - Key Financial Controls

Mrs Musgrave began by saying that this audit review had been carried out in May 2010 and that it had been given a Substantial Assurance rating, the highest possible. She noted that there had only been 1 recommendation and that this had been of Low risk. The College had had noted the recommendation with regard to the spot checking of fixed assets and had proposed an appropriate action plan to resolve the matter. Mrs Musgrave reminded the members that the key financial controls of the college must be audited every year under the (former) LSC code of practice. Members

334 Resolved to note the report

b) Report 07b - Audit Review – Income Collection in Salon and Catering Departments

Mrs Musgrave continued by guiding members through the report on a specific area of control stating that this will often give an indication of the level of control in similar areas. She noted that the report gave Reasonable Assurance on the area of control. It was noted that there were six recommendations, five with low risk and one with medium risk and that action had been taken to ensure appropriate responses to the risks. Members

335 Resolved to note the report

Chair of the Audit Committee

56.7 Learner Records – High Level Controls - “Mock Audit” - Draft

Mrs Musgrave reminded members that this audit had been commissioned by the college in response to the Limited Assurance given to the Learner Records & Funding audit carried out in March 2010 and presented to the Audit Committee at its 8th June 2010 meeting.

The mock audit had been carried out in August 2010 by a specialist auditor. The audit had identified some issues, but Mrs Musgrave said that this would not be unusual. There were four risks identified with recommendation from RSM Tenon to the college on how to respond to them. It was noted that there had been significant improvement in this area since the original audit. The Vice Principal (Corporate Services) reminded members that the audit had been commissioned to help to prepare for any forthcoming Funding agency audit. Mr Smith asked if the funding agencies gave any leeway with regard to errors in their audits. The Vice Principal replied that they would extrapolate any errors across college systems and this could result in eventual claw back of funds.

The Vice Principal went on to say that many of the issues raised in the original audit had been dealt with prior to September 2010 enrolments. Mr Ireland stated that this type of commissioned audit showed that the college was striving to improve. Mrs Musgrave agreed. Members

336 Resolved to note the report

56.8 Annual Report of the Internal Audit Service 2009 / 10

Mrs Musgrave presented her report noting that it was a summary of all the work carried out during 2009/10 and that it also gave the overall opinion of the colleges control systems, governance and risk management. It was noted that RSM Tenon had concluded that they could give Reasonable Assurance in these matters.

Ms Musgrave went on to say that considering the College directs the auditors to areas where there may be issues, audits have provided good results and that the 26 recommendations made (7 at high, 8 at medium risk and 11 at low risk) compared favorably with other college. The Chair asked if there was any benchmarking available. Mrs Musgrave stated that although there wasn't anecdotal evidence suggested that some colleges may have up to 50 recommendations per year, whilst others such as sixth forms, with less complicated funding streams and therefore required controls, may have only 10 or 12. She felt that the college was in a good position and should not be unduly worried. Members

337 Resolved to note the report and the audit opinions contained within the report, which will be presented to the Board as part of the Annual Audit Committee Report

Members thanked Mrs Musgrave for her reports.

Date and time of next meeting: The Clerk reminded members that the next meeting would be held on Tuesday 8th February 2011 at 8.15am

The meeting closed at 4.40pm

Chair of the Audit Committee